



# ALL INDIA BANK EMPLOYEES' ASSOCIATION

Singapore Plaza, 164, Linghi Chetty Street, Chennai-600001

## ALL INDIA BANK OFFICERS' ASSOCIATION



2<sup>nd</sup> Floor, 109/10 Angappa Naicken Street, Chennai-600001

**CIRCULAR : 2018/6**

**17.7.2018**

Dear Comrades,

- **Do not kill Dena Bank – Save Dena Bank**
- **Remove embargo on lending**
- **Ensure recovery of bad loans**
- **Stop indiscriminate closure of branches**
- **Release recruitments including compassionate ground appointments**

Vide our Circular dated 10-7-2018, we had informed all our units that in the light of the recent RBI directive to Dena Bank imposing total embargo on all lendings by the Bank and stopping all recruitments and appointments including compassionate ground appointments, it has been decided to take up the issue with the RBI and Government to lift the embargo on lending and allow the Bank to come out of its difficulties.

It is known that most of the Banks are facing problems of increasing bad loans, increased provisions, reduced profits or higher net losses, inadequate capital, etc. RBI has clamped PCA – Prompt Corrective Action norms on 11 Banks. Hence there is nothing particularly alarming about the health of Dena Bank warranting this singular and unfair treatment.

Despite these problems, the employees and officers along with the management are doing their best to turn around the Bank by taking all possible measures. But the burden of bad loans, like in any other Bank, is too heavy to be overcome overnight.

Despite all these difficulties, Dena Bank has been posting Operating Profits in the recent years and it is only due to higher provisions for bad loans, that the Bank has ended in Net Loss.

Rs. In crores

	<b>Operating Profits</b>	<b>Provisions</b>	<b>Net Profit/Loss</b>
<b>Mar.2015</b>	<b>1330</b>	<b>1065</b>	<b>+ 265</b>
<b>Mar.2016</b>	<b>925</b>	<b>1860</b>	<b>- 935</b>
<b>Mar.2017</b>	<b>1390</b>	<b>2254</b>	<b>- 864</b>
<b>Mar.2018</b>	<b>1170</b>	<b>3093</b>	<b>- 1923</b>

Thus, the main and the only problem is the increasing bad loans and consequent higher provisions for bad loans that are responsible for the problems facing the Bank.

Dena Bank has a burden of bad loans of about Rs. 16,500 crores. The following figures will reveal who is the main culprit.

<b>Total Bad Loans/NPAs</b>	<b>16,500 crores</b>	
<b>Bad loans of 250 big borrowers</b>	<b>13,000 crores</b>	<b>80 %</b>
<b>Dues from 1,25,000 small borrowers</b>	<b>3,500 crores</b>	<b>20 %</b>

Thus, it can be observed that the main culprits are the big borrowers. Instead of punishing these major defaulting borrowers, the Bank and its workforce are being penalised.

Not only lending is stopped by RBI, even recruitments and appointments are stopped. Even compassionate ground appointments cannot be made. Whether this is a strategy for recovery and turnaround ? Obviously this is an unfair and anti-employee restriction.

Turn around is possible if more business is augmented and revenue is increased. This alone would help to neutralise the impact of higher provisions for bad loans. But the RBI is insisting on closure of branches which would reduce the business of the Bank !

Thus from every point of view, the embargo on Dena Bank is totally unwarranted and unjustified. Shortly, we will be meeting the Government and RBI officials demanding withdrawal of the embargo.

Our units in Dena Bank viz. All India Dena Bank Employees Co-ordination Committee and All India Dena Bank Officers Union have been advised to observe All India Day and organise mass petitions to RBI to involve the rank and file members.

**Hold Dharna:** It has also been decided that our State Federations and State Committees will organise Dharna programme in the following 20 centres.

**Mumbai, Pune, Nasik, Delhi, Kolkata, Chennai,  
Ahmedabad, Gandhi Nagar, Baroda, Surat, Rajkot, Bhavnagar,  
Mehsana,  
Hyderabad, Bangalore, Lucknow, Bhopal, Jaipur, Patna, Ranchi,**

These Dharnas are to be organised on any day between **7<sup>th</sup> to 17<sup>th</sup>** of August, 2018 as per local convenience under information to us.

Let us stand together in fraternity with the employees and officers of Dena Bank when their Bank is sought to be singled out by RBI.

With greetings,

Yours comradely,

*Handwritten signatures in blue ink.*

**C.H. VENKATACHALAM**  
**GENERAL SECRETARY**  
**SECRETARY**  
**AIBEA**

**S. NAGARAJAN**  
**GENERAL**  
**AIBOA**